

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 48 - SB 87**

January 27, 2023

**SUMMARY OF BILL:** Caps at 20 the number of members that may be elected to the governing body of a metropolitan or municipal government following the next general election for the governing body and applies the same cap to any metropolitan or municipal government formed after the effective date of the act. Requires such governing bodies to: (1) reapportion districts, as necessary, so that the number of members does not exceed 20 voting members and (2) ensure that a reapportionment maintains substantially equal representation based on population and complies with state and federal law.

Requires metropolitan governing body members to have four-year terms and for the first election to be held on the first Thursday of August of 2024, with council members assuming office on September 1 following the day of the election. Provides that if the metropolitan governing body is required to reduce the number of members in accordance with the cap, then: (1) council members elected on the first Thursday in August of 2024 will have three-year terms and thereafter, will serve four-year terms and (2) the terms of council members in office on the effective date of this act are extended until the member's successor takes office.

Authorizes a newly formed metropolitan government to provide for the initial election of council members on a date other than the first Thursday of August of 2024, as long as the initial terms do not exceed four years and expire on August 31, after the next subsequent general election held in accordance with this legislation.

**FISCAL IMPACT:**

**Decrease Local Expenditures – \$424,900/FY24-25/Nashville – Davidson County  
\$509,800/FY25-26 and Subsequent Years/  
Nashville – Davidson County**

**Other Fiscal Impact – The extent and timing of any permissive increase in local expenditures relative to raising councilmember salaries cannot be reasonably forecasted. Additionally, in the event that a referendum for a charter amendment is necessary, there will be an estimated one-time, mandatory local expenditure of \$2,500.\***

Assumptions:

- There are three metropolitan governments in Tennessee:
  - Hartsville-Trousdale County, 20 commissioners;
  - Lynchburg-Moore County, 15 metro councilmembers; and
  - Nashville-Davidson County (Metro), 40 metro councilmembers.
- The proposed legislation therefore only applies to Metro, as its governing body exceeds the 20-member cap.
- There are no known municipal governing bodies with more than 20 members, so prohibiting municipalities from exceeding such cap will not result in any fiscal impact to local government.
- Prohibiting metropolitan and municipal governments formed after the effective date of this act from exceeding the 20-member cap will result in no fiscal impact to local government.
- The 20-member cap would be effective following Metro's next general election held in accordance with the proposed language, the date of which is August 1, 2024. Metro councilmembers would be elected to a three-year term and thereafter serve four-year terms upon election.
- Metro is required to dissolve, combine, or reapportion districts or wards, as necessary, so that the number of councilmembers does not exceed 20 voting members and to ensure, using the most recent federal census, that a reapportionment maintains substantially equal representation based on population.
- Metro Planning will be able to redistrict utilizing existing staff and resources, resulting in no fiscal impact to local government.
- The proposed language terminates Metro's August 3, 2023 general election for Metro Council and extends the terms of councilmembers in office on the effective date of this act for one additional year until the member's successor takes office in 2024.
- The general election scheduled for August 3, 2023 will still occur due to other seats being on the ballot. Removing Metro councilmembers from the ballot will not result in any significant decrease to local expenditures.
- Metro councilmembers would assume office on September 1 following the general election in August of 2024, resulting in a fiscal impact for 10 of 12 months in FY24-25.
- Metro councilmember salary is currently \$23,100 and will increase to \$25,492, beginning September of 2023.
- The estimated decrease in local expenditures due to capping the Metro Council at 20 members is \$424,867 [ $(\$25,492 \times 20 \text{ members}) \times 10/12$ ] in FY24-25 and \$509,840 [ $(\$25,492 \times 20 \text{ members})$ ] in FY25-26 and subsequent years.
- According to Metro, salaries for councilmembers may be increased to correspond with the larger reapportioned districts and increased workloads; the extent and timing of any permissive increase to local expenditures relative to raising councilmember salaries cannot be reasonably determined.
- Councilmember salaries may be changed by the Metro Council and established as part of the general pay plan; any action by the council will take place at a regularly scheduled meeting of the Metro Council.

- Based on information from Metro, there may be a referendum required for a charter amendment to determine whether the 20 councilmembers will be representative of individual districts or a combination of district and at-large seats.
- Metro's charter may be amended by adoption of a resolution by the council or by referendum. The council is prohibited from adopting an amendment by resolution more than twice during the term of office of members of the council.
- Depending on the number of charter amendments adopted by resolution, Metro may be required to amend its charter through referendum.
- It is assumed that any referendum would be in conjunction with a regularly scheduled election in 2024; Metro would be required to publish the proposed amendment on its website and in print in a newspaper of general circulation within Davidson County.
- As a result, there may be a one-time mandatory increase to local expenditures of \$2,500 due to a newspaper notice requirement, if such referendum is necessary.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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